

## **SCRUTINY COMMITTEE - RESOURCES**

Date: Wednesday 16 September 2015  
Time: 5.30 pm  
Venue: Rennes Room, Civic Centre, Paris Street, Exeter

Members are invited to attend the above meeting to consider the items of business.

If you have an enquiry regarding any items on this agenda, please contact Sharon Sissons, Democratic Services Officer (Committees) on 01392 265115 or email [sharon.sissons@exeter.gov.uk](mailto:sharon.sissons@exeter.gov.uk)

Entry to the Civic Centre can be gained through the Customer Services Centre, Paris Street.

### *Membership -*

Councillors Bull (Chair), Buswell (Deputy Chair), Baldwin, Bialyk, Brock, George, Harvey, Lyons, Mottram, Sheldon, Wardle, Packham and Thompson

### Agenda

#### **Part I: Items suggested for discussion with the press and public present**

##### **1 Apologies**

To receive apologies for absence from Committee members.

##### **2 Minutes**

To sign the minutes of the meeting held on 1<sup>st</sup> and 29<sup>th</sup> July 2015.

##### **3 Declarations of Interest**

Councillors are reminded of the need to declare any disclosable pecuniary interests that relate to business on the agenda and which have not already been included in the register of interests, before any discussion takes place on the item. Unless the interest is sensitive, you must also disclose the nature of the interest. In accordance with the Council's Code of Conduct, you must then leave the room and must not participate in any further discussion of the item.

Councillors requiring clarification should seek the advice of the Monitoring Officer prior to the day of the meeting.

##### **4 Local Government (Access to Information) Act 1985 - Exclusion of Press and Public**

It is considered that the Committee would be unlikely to exclude the press and public during the consideration of any of the items on the agenda but, if it should wish to do so, the following resolution should be passed:-

**RECOMMENDED** that, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for consideration of the particular item(s) on the grounds that it (they) involve(s) the likely disclosure of exempt information as defined in the relevant paragraphs of Part I, Schedule 12A of the Act.

**5 Questions From the Public Under Standing Order 19**

A period of up to 15 minutes will be set aside to deal with questions to the Committee from members of the public.

*Details of questions should be notified to the Corporate Manager Democratic and Civic Support at least three working days prior to the meeting. Further information and a copy of the procedure are available from Democratic Services (Committees) 01392 265115 and also on the Council web site.*

<http://www.exeter.gov.uk/scrutinyquestions>

**6 Questions from Members of the Council Under Standing Order 20**

To receive questions from Members of the Council to appropriate Portfolio Holders.

**7 Portfolio Holder Statements 2015/16**

The following Councillors will receive questions on their Portfolio –  
Councillor Edwards – Leader  
Councillor Pearson – Enabling Services  
Councillor Morris – Customer Access  
Councillor Hannaford – Housing Revenue Account

(Pages 5 -  
8)

**MATTERS FOR CONSIDERATION BY THE EXECUTIVE**

**8 Overview of Revenue Budget 2015/16**

To consider the report of the Assistant Director Finance.

(Pages 9 -  
22)

**9 Capital Monitoring Statement**

To consider the report of the Assistant Director Finance.

(Pages 23  
- 34)

**MATTERS FOR DISCUSSION**

**10 Budget Monitoring**

To consider the report of the Assistant Director Finance.

(Pages 35  
- 38)

11 **Income Generating Measures: An Energy Neutral Council- A Renewables and Energy Efficiency Programme Update**

To consider the report of the Corporate Manager Property.  
The Corporate Energy Manager will make a presentation.

(Pages 39  
- 46)

**MATTERS FOR INFORMATION**

12 **Financial Reporting Review Update**

To consider the report of the Assistant Director Finance.

(Pages 47  
- 52)

**Date of Next Meeting**

The next **Scrutiny Committee - Resources** will be held on Wednesday 18 November 2015 at 5.30 pm

**Future Business**

The schedule of future business proposed for this Scrutiny Committee and other Committees of the Council can be viewed on the following link to the Council's website:

<http://www.exeter.gov.uk/forwardplan>

Councillors can view a hard copy of the schedule in the Members Room.

**Individual reports on this agenda can be produced in large print on request to Democratic Services (Committees) on 01392 265115.**

Find out more about Exeter City Council by looking at our website <http://www.exeter.gov.uk> . This will give you the dates of all future Committee meetings and tell you how you can ask a question at a Scrutiny Committee meeting. Alternatively, contact the Democratic Services Officer (Committees) on 01392 265115 for further information.

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## SCRUTINY COMMITTEE (RESOURCES)

16 September 2015

### Portfolio Holder Priorities 2015/16

Priorities for all Portfolio Holders are included for information.

Members will note that some Portfolio Holders report to a different scrutiny committee and are unable to take questions at all committees.

Progress will be regularly monitored against each of these priorities and an update report will be presented back to this committee in January 2016.

Portfolio Holder for Enabling Services: Councillor Ollie Pearson

Our plans for 2015/16

1. Improve procurement arrangements
2. Maximise income opportunities from the Civic Centre and Guildhall
3. Enable customers to self-serve via digital services
4. Progress the development agreement for the Princesshay Leisure scheme at the Bus and Coach Station site
5. Implement the recommendations in relation to the ward boundary changes for Exeter
6. Prepare a Corporate Asset Management Plan
7. Deliver a robust health and safety compliance regime for corporate property
8. Roll out the Renewables Investment Programme
9. Progress the Council's aim to be a energy-neutral Council

Portfolio Holder for Customer Access: Councillor Heather Morris

Our plans for 2015/16

1. Publish a Homelessness Strategy to ensure efficient and effective management of homelessness
2. Work with partners to deliver joint programmes, including Targeted Families, Integrated Care Exeter and Exeter Community Hub
3. Improve standards in the private rented sector
4. Prepare for further changes to local welfare including the Local Council Tax Scheme
5. Help customers with their financial challenges by continuing to work with Job Centre Plus, providing money management and debt advice and facilitating a Credit Union
6. Revise the Council's policy for the allocation of social housing
7. Work with partners to tackle rough sleeping, within current resources

Portfolio Holder for Housing Revenue Account: Councillor Rob Hannaford

Our plans for 2015/16

1. Agree a new Housing Strategy 2015-2020

2. Improve standards in our social housing stock
3. Improve the management of our housing assets and achieve greater value for money from housing contracts
4. Examine alternative options for communicating with and engaging council tenants

Portfolio Holder for Health and Place: Councillor Keith Owen

Our plans for 2015/16

1. Address antisocial behaviour by introducing a Public Spaces Protection Order
2. Increase the recycling rate from 34% to 35%
3. Improve cleansing of the city centre and implement new ways of keeping the city looking good
4. Work with Devon County Council to tackle the issue of weeds and highway verges
5. Review management of the Exe Estuary Harbour
6. Support Exwick Sports Hub by transferring the playing fields to Exeter College
7. Renew the Gambling Policy
8. Reduce the carbon footprint of our vehicles by 3%
9. Consider an evening trade waste collection service

Portfolio Holder for Economy and Culture: Councillor Rosie Denham

Our plans for 2015/16

1. Enhance the knowledge economy with particular emphasis on the Innovation Exeter initiative to raise the profile of the area for inward investment and to address skills development
2. Deliver a successful Rugby World Cup 2015
3. Procure an operator for the new leisure complex
4. Work with the Business Improvement District (BID) Board to progress the City Centre Strategy
5. Optimise tourism activities
6. Look at alternative governance arrangements of the RAMM
7. Adopt a new Parking Strategy and develop the Parking Action Plan
8. Replace the Pay on Foot barrier and ticketing systems in Mary Arches Street and Guildhall car parks
9. Develop a new Waterways Partnership for Exeter to steer the future of Exeter's waterways

Portfolio Holder for City Development: Councillor Rachel Sutton

Our plans for 2015/16

1. Continue to work towards low carbon initiatives including district heating schemes at Monkerton, City Centre and SW Exeter and sustainable travel proposals including railway station provision and improvements, park and ride and delivery of footpath/cycle networks
2. Progress the carbon reduction initiative programme and explore the concept of Exeter as a City Lab that pioneers technology and innovative use of data
3. Submit a Development Delivery Plan to the government and start work on a longer-term planning and infrastructure strategy for Greater Exeter

4. Negotiate local labour/contractor agreements as part of new planning commitments
5. Progress delivery of IKEA, Princesshay Leisure and the leisure complex and address issue posed by retail proposals in the Honiton Road corridor and at M5 Junction 27
6. Ensure council consents are in place to deliver the Exe Flood Prevention Scheme
7. Work with the University of Exeter to provide appropriate student accommodation
8. Establish the business case for the creation of a new Housing Development Company

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## **REPORT TO RESOURCES SCRUTINY COMMITTEE**

**Date of Meeting: 16 September 2015**

## **REPORT TO EXECUTIVE**

**Date of Meeting: 6 October 2015**

## **REPORT TO COUNCIL**

**Date of Meeting: 20 October 2015**

**Report of: Assistant Director Finance**

**Title: OVERVIEW OF REVENUE BUDGET 2015/16**

### **Is this a Key Decision?**

No

\* One that affects finances over £1m or significantly affects two or more wards. If this is a key decision then the item must be on the appropriate forward plan of key decisions.

### **Is this an Executive or Council Function?**

Council

#### **1. What is the report about?**

- 1.1 To advise Members of the overall projected financial position of the HRA & General Fund Revenue Budgets for the 2015/16 financial year after three months and to seek approval for a number of supplementary budgets.

#### **2. Recommendations:**

It is recommended that Scrutiny Resources Committee and the Executive note the report and Council notes and approves (where applicable):

- 2.1 The General Fund forecast financial position for the 2015/16 financial year;
- 2.2 The HRA forecast financial position for 2015/16 financial year;
- 2.3 The additional supplementary budgets listed in Appendix C;
- 2.4 The outstanding Sundry Debt position as at June 2015;
- 2.5 The creditors' payments performance;
- 2.6 The Council Tax and Business Rates collection performance.

#### **3. Reasons for the recommendation:**

- 3.1 To formally note the Council's projected financial position and to approve additional expenditure required during the financial year.

**4. What are the resource implications including non financial resources.**

4.1 The impact on the General Fund working balance, HRA working Balance and Council Own Build working balance are set out in sections 8.3.6, 8.2.1 and 8.2.3 respectively.

4.2 A request for supplementary budgets totalling £89,900 has been included in the report.

**5. Section 151 Officer comments:**

5.1 The report represents the projected financial position to 31 March 2015. In respect of the year end projections, the overall position in respect of the General Fund is positive, with a reduction in the estimated to the working balance. The significant variance is down to 2 key factors, the proposed change to the Council's MRP policy and the substantial increase in income generated by Housing Benefit overpayments.

**6. What are the legal aspects?**

6.1 There are no legal aspects to the report.

**7. Monitoring Officer's comments:**

7.1 This report raises no issues of concern for the Monitoring Officer

**8. Report details:**

8.1 Financial Summary

<b>FUND</b>	<b>Planned Transfer (to) / from Working Balance</b>	<b>Budget Variance Over / (under)</b>	<b>Outturn Transfer 2015/16</b>
	<b>£</b>	<b>£</b>	<b>£</b>
General Fund	1,240,260	(653,600)	586,660
HRA	2,959,391	(625,391)	2,333,791
Council own Build Houses	(37,800)	0	(37,800)

8.2 Housing Revenue Account (Appendix A)

8.2.1 The first quarter projection shows an improvement against the estimated budget reduction in the working balance. The projected reduction is £2,333,791 to leave the working balance at £5,402,741.

<b>Movement</b>	<b>2015/16</b>
Opening HRA Balance, as at 01/04/15	£7,736,532
Deficit	(£2,333,791)
<b>Projected balance, as at 31/3/16</b>	<b>£5,402,741</b>

8.2.2 The key variances are as follows:

Management Unit	Over / (Underspend)	Detail
Management Costs	(£75,360)	<ul style="list-style-type: none"> <li>• The introduction of mobile working in housing services is progressing with the acquisition of handheld devices and system interface work, however further spend is pending a wider review of the housing management IT system. It is therefore estimated that £50,000 of the budget will need to be deferred until 2016-17.</li> <li>• Savings in employee costs are expected due to vacant posts.</li> <li>• Initial community engagement research in respect of older residents has completed with a £5,000 saving.</li> </ul>
Repairs and Maintenance Programme	(£589,612)	<ul style="list-style-type: none"> <li>• Significant savings are expected to be achieved in respect of the damp ingress contract following lower tender prices coupled with a lower level of remedial repairs compared to original estimates.</li> <li>• Savings have also been achieved through utilising scaffolding already in place for the external painting programme, where possible.</li> <li>• The budget also made allowance for unidentified flats and houses suffering damp ingress but the number of properties has remained relatively stable at approx 330.</li> <li>• The final saving may increase as the estimated outturn figure still retains a contingency sum for poorer condition properties and additional properties to be dealt with.</li> </ul>
Capital Charges	£60,531	<ul style="list-style-type: none"> <li>• Depreciation charges are higher than budgeted due to a rise in the valuation of housing assets. Depreciation is a real cost to the HRA as it represents the amount of money which needs to be set aside in the Major Repairs Reserve to provide for the cost of future capital works or to repay debt</li> </ul>

8.2.3 The Council's new properties at Rowan House and Knights Place form part of the overall Housing Revenue Account, but separate income and expenditure budgets are maintained in order to ensure that they are self-financing. There is no projected variance to the projected surplus at the end of the first quarter.

<b>Movement</b>	<b>2015/16</b>
Opening Council Own Build, as at 01/04/15	£127,995
Surplus	37,800
<b>Projected balance, as at 31/3/16</b>	<b>£165,795</b>

8.3 General Fund (Appendix B)

8.3.1 The Service Committees show projected underspends of £588,890 against a revised budget of £13,397,320. The main variances are:

8.3.2 **Scrutiny Committee Community – (An overspend in total of £117,440)**

Management Unit	Over / (Underspend)	Detail
Public Safety	(51,000)	<ul style="list-style-type: none"> <li>Contribution from the Housing Revenue Account towards the cost of continuing the Home Call Alarm service to residents in the Council's older persons accommodation.</li> </ul>
Domestic Refuse Collection	86,000	<ul style="list-style-type: none"> <li>Agency costs are expected to exceed the estimates mainly as a result of significantly higher levels of absences (sickness, suspension and phased return) than assumed when calculating the budget.</li> <li>A target saving of £33,000 cannot be achieved.</li> </ul>
Cleansing Chargeable Services	42,000	<ul style="list-style-type: none"> <li>Income from Trade Refuse expected to be less than the estimates, offset by reduced waste disposal costs.</li> <li>The contractor dealing with the processing of garden waste has gone into liquidation. While an alternative contractor has been engaged, the price has significantly increased</li> <li>Income from Trade Recycling expected to be less than estimated partially offset by some small cost savings.</li> </ul>
Recycling	52,500	<ul style="list-style-type: none"> <li>Prices achieved for reclaimed materials are below those estimated</li> </ul>

8.3.3 Scrutiny Committee Economy – (An underspend in total of £73,590)

Management Unit	Over / (Underspend)	Detail
Estates Services	45,000	<ul style="list-style-type: none"> <li>• Non Domestic Rates expenditure expected to exceed the budget.</li> <li>• Income from South Street anticipated to be less than budget</li> </ul>
Economic Development	45,610	<ul style="list-style-type: none"> <li>• Following the secondment of the Assistant Director Economy on 1 July 2015, his pay costs will be charged entirely to this unit. This will result in salary savings in the services which previously bore his costs, partially offset by honoraria paid to the acting managers.</li> <li>• The unit has an apprentice for which there is no budget; however there are savings elsewhere in the Council where apprentices are no longer employed.</li> <li>• These additional costs are partially offset by a net saving following the deletion of the City Centre Management service.</li> </ul>
Planning Services	96,730	<ul style="list-style-type: none"> <li>• Additional consultant fees, partly offset by transfer from Local Development Framework reserve.</li> <li>• Recharge from Environmental Health for work carried out expected to exceed budget.</li> </ul>
Markets & Halls	(45,620)	<ul style="list-style-type: none"> <li>• Additional income is anticipated from car storage and lettings at the Livestock Centre.</li> <li>• Utility costs at the Corn Exchange are expected to be less than the estimates.</li> <li>• Non Domestic Rates expenditure expected to be less than the budget.</li> </ul>
Contracted Sports Facilities	(220,000)	<ul style="list-style-type: none"> <li>• As a result of the sports facilities contractor acquiring charitable status, the income receivable under the contract will increase.</li> <li>• The estimated contribution required from the Council for utility costs is expected to be excessive, leading to a cost saving.</li> </ul>
Museum Service	(6,770)	<ul style="list-style-type: none"> <li>• Vacancy pay savings</li> </ul>

#### 8.3.4 Scrutiny Committee Resources – (An underspend in total of £632,740)

Management Unit	Over / (Underspend)	Detail
Revenue Collection/Benefits	(564,420)	<ul style="list-style-type: none"> <li>• Recovery of overpayments higher than budgeted</li> <li>• Underspend on pay budgets</li> </ul>

#### 8.3.5 Other Financial Variations

Other items	Over / (Underspend)	Detail
Revenue Contribution to Capital	20,100	<ul style="list-style-type: none"> <li>• Revenue contribution to capital expenditure in respect of the Civic Centre.</li> </ul>

#### 8.3.6 General Fund Balance

In 2015/16 it is projected that there will be an overall net contribution to the General Fund Balance of £165,955. The minimum requirement for the General Fund working balance was approved by Council in February 2015 at £2million.

<b>Movement</b>	<b>2015/16</b>
Opening Balance, as at 01/04/15	£3,974,518
Deficit	(£ 586,660)
<b>Balance, as at 31/3/16</b>	<b>£3,387,858</b>

#### 8.3.7 Supplementary Budgets

There is a small requirement for further supplementary budgets in 2015/16. It is therefore proposed that supplementary budgets totalling £89,900, identified in Appendix C are approved in 2015/16.

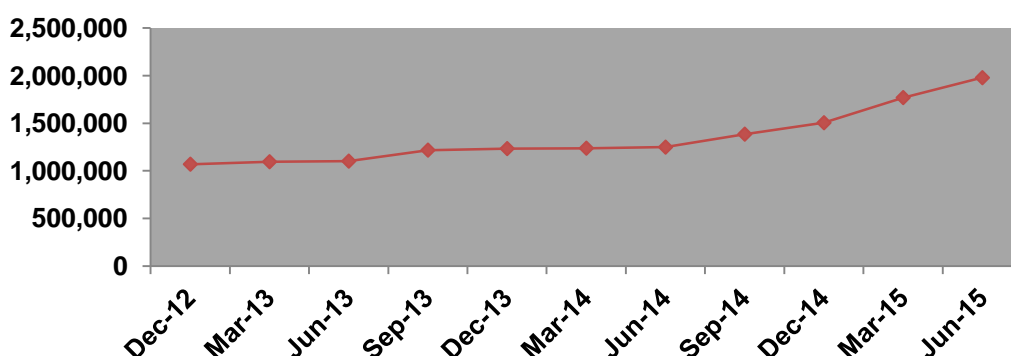
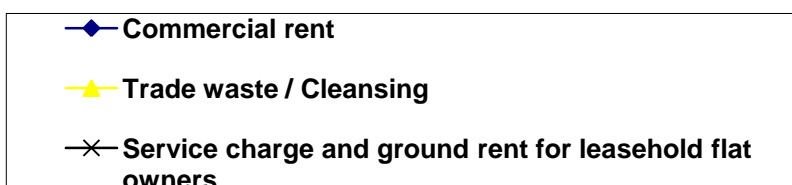
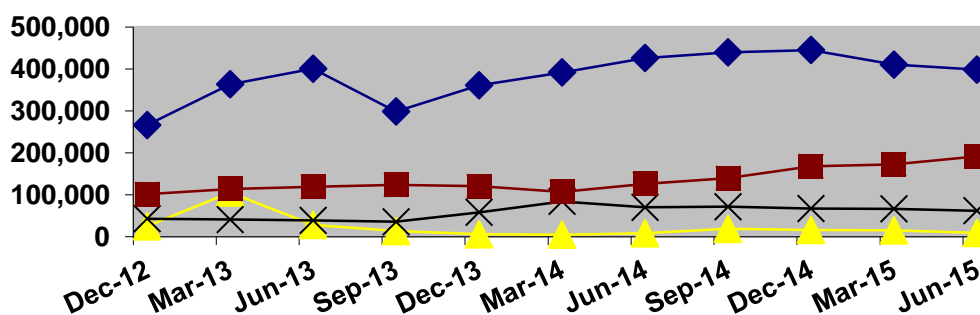
8.3.8 The additional budgets for Planning and Legal Services were approved by Council in July 2015 and are merely being reported in this report. The budget for HR is a request to carry forward the underspend of the Corporate Training budget from the previous financial year.

## 8.4 OUTSTANDING SUNDRY DEBT

8.4.1 An aged debt analysis of the Council's sundry debts is shown in the table below.

Age of Debt	June 2014	March 2015	June 2015
Up to 29 days (current)	£961,767	£1,779,525	£1,795,454
30 days – 1 Year	£1,020,962	£1,467,882	£1,783,582
1 – 2 years	£483,753	£575,938	£636,979
2 – 3 years	£271,280	£342,542	£367,355
3 – 4 years	£112,054	£185,764	£229,290
4 – 5 years	£87,808	£72,627	£82,318
5 + years	£181,678	£213,294	£215,423
<b>Total</b>	<b>£3,120,302</b>	<b>£4,637,572</b>	<b>£5,110,401</b>

8.4.2 Of the outstanding debt, the graph below sets out the main services and debt trends for debt over 30 days old: Of the £3,314,947 outstanding debt over 30 days old, £2,164,011 relates to Housing Benefit overpayments which are now shown on a separate graph.



## 8.5 DEBT WRITE-OFFS

8.5.1 The following amounts have been written-off during 2015/16:

	2014/15 total	2015/16 (Qtr 1)
• Council Tax	£193,034	£33,627
• Business Rates	0	£0
• Sundry Debt	£85,554	£37,215
• Housing Rents	£41,609	

## 8.6 CREDITOR PAYMENTS PERFORMANCE

8.6.1 Creditors' payments continue to be monitored in spite of the withdrawal of statutory performance indicator BVPI8. The percentage paid within 30 days was 92.64% for the first quarter of 2015/16 compared with 95.60% for 2014/15.

## 9. How does the decision contribute to the Council's Corporate Plan?

9.1 This is a statement of the projected financial position to the end of the 2015/16.

## 10. What risks are there and how can they be reduced?

10.1 The risks relate to overspending the Council budget and are mitigated by regular reporting to the Strategic Management Team and Members.

## 11. What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, community safety and the environment?

11.1 Not applicable

## 12. Are there any other options?

12.1 Not applicable

**David Hodgson**  
**Assistant Director Finance**

### Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

None

Contact for enquires:  
Democratic Services (Committees)  
Room 2.3  
01392 265275



## HOUSING REVENUE ACCOUNT

ACTUAL TO DATE			YEAR END FORECAST			
PROFILED BUDGET	ACTUAL TO DATE	VARIANCE TO DATE	Code	APPROVED BUDGET	Qrt 1 FORECAST VARIANCE	CURRENT OUTTURN FORECAST
£	£	£		£	£	£
147,419	124,582	(22,837)	85A1 MANAGEMENT	1,267,390	(75,360)	1,192,030
239,544	239,718	174	85A2 HOUSING CUSTOMERS	1,239,920	10,000	1,249,920
4,697	1,495	(3,202)	85A3 SUNDRY LAND MAINTENANCE	274,230	0	274,230
2,167,936	900,682	(1,267,254)	85A4 REPAIRS & MAINTENANCE PROGRAMME	8,680,512	(589,612)	8,090,900
0	0	0	85A5 REVENUE CONTRIBUTION TO CAPITAL	5,771,930	0	5,771,930
2,484,370	2,544,901	60,531	85A6 CAPITAL CHARGES	2,484,370	60,531	2,544,901
243,093	176,458	(66,635)	85A7 HOUSING ASSETS	1,222,550	(30,950)	1,191,600
(4,979,865)	(4,741,305)	238,560	85A8 RENTS	(19,918,280)	0	(19,918,280)
0	0	0	85B2 INTEREST	1,936,560	0	1,936,560
			85B4 MOVEMENT TO/(FROM) WORKING BALANCE	(2,959,182)	625,391	(2,333,791)
			<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>
			<b>Working Balance 1 April 2015</b>	<b>7,736,532</b>	<b>31 March 2016</b>	<b>5,402,741</b>

## COUNCIL OWN BUILD SITES

PROFILED BUDGET	ACTUAL TO DATE	VARIANCE TO DATE	Code	APPROVED BUDGET	CURRENT OUTTURN FORECAST	CURRENT OUTTURN FORECAST
£	£	£		£	£	£
(2,422)	(3,711)	(1,289)	H006 ROWAN HOUSE	(8,020)	0	(8,020)
(14,269)	(13,231)	1,038	H007 KNIGHTS PLACE	(47,870)	(301)	(48,171)
0	0	0	H008 INTEREST	6,890	0	6,890
11,200	11,501	301	H009 CAPITAL CHARGES	11,200	301	11,501
			H010 MOVEMENT TO/(FROM) WORKING BALANCE	37,800	0	37,800
			<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>
			<b>Working Balance 1 April 2015</b>	<b>127,995</b>	<b>31 March 2016</b>	<b>165,795</b>

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**GENERAL FUND**  
**2015/16 REVENUE ESTIMATES - SUMMARY**  
as at 30 June 2015

	Annual Budget £	Supplementary Budgets £	Revised Annual Budget £	Year End Forecast £	Variance to Budget £
SCRUTINY - COMMUNITY	9,063,180	143,940	9,207,120	9,324,560	117,440
SCRUTINY - ECONOMY	149,250	637,460	786,710	713,120	(73,590)
SCRUTINY - RESOURCES	6,074,060	89,210	6,163,270	5,530,530	(632,740)
less Notional capital charges	<b>(2,759,780)</b>		<b>(2,759,780)</b>	<b>(2,759,780)</b>	0
<b><u>Service Committee Net Expenditure</u></b>	<b>12,526,710</b>	<b>870,610</b>	<b>13,397,320</b>	<b>12,808,430</b>	<b>(588,890)</b>
Net Interest	150,000		150,000	150,000	0
New Homes Bonus	<b>(3,528,980)</b>		<b>(3,528,980)</b>	<b>(3,528,980)</b>	0
Revenue Contribution to Capital	0		0	20,100	20,100
Minimum Revenue Provision	1,570,730		1,570,730	1,570,730	0
<b><u>General Fund Expenditure</u></b>	<b>10,718,460</b>	<b>870,610</b>	<b>11,589,070</b>	<b>11,020,280</b>	<b>(568,790)</b>
Transfer To/(From) Working Balance	<b>(369,650)</b>	(870,610)	<b>(1,240,260)</b>	<b>(586,660)</b>	653,600
Transfer To/(From) Earmarked Reserves	1,607,980		1,607,980	1,523,170	(84,810)
<b><u>General Fund Net Expenditure</u></b>	<b>11,956,790</b>	<b>0</b>	<b>11,956,790</b>	<b>11,956,790</b>	<b>0</b>
Formula Grant	<b>(6,635,000)</b>		<b>(6,635,000)</b>	<b>(6,635,000)</b>	0
Business Rates Growth / Pooling Gain	<b>(561,000)</b>		<b>(561,000)</b>	<b>(561,000)</b>	0
<b><u>Council Tax Net Expenditure</u></b>	<b>4,760,790</b>	<b>0</b>	<b>4,760,790</b>	<b>4,760,790</b>	<b>0</b>
<b>Working Balance</b>	<b>March 2015</b>	<b>£ 3,974,518</b>		<b>£ 3,387,858</b>	<b>March 2016</b>

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		Funded by	£
<b>Resources</b>			
Legal Services	approved by Council - 28 July 2015	General Fund Balance	28,900
Human Resources	Carry Forward 2014-15 underspend on Corporate Training Budget	General Fund Balance	37,000
			<u><u>65,900</u></u>
<b>Community and Environment</b>			
			<u><u>0</u></u>
<b>Economy &amp; Development</b>			
Planning Services	approved by Council - 28 July 2015	General Fund Balance	24,000
			<u><u>24,000</u></u>
<b>General Fund Total</b>			<u><u>89,900</u></u>
			0
<b>HRA Total</b>			<u><u>0</u></u>
<b>Overall Total</b>			<u><u>89,900</u></u>

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**REPORT TO** SCRUTINY COMMITTEE RESOURCES, EXECUTIVE AND COUNCIL

**Date of Meeting:** Scrutiny Committee Resources - 16 September 2015  
Executive - 6 October 2015  
Council - 20 October 2015

**Report of:** Assistant Director Finance  
**Title:** Capital Monitoring Statement to 30 June 2015

**Is this a Key Decision?**

Yes

**Is this an Executive or Council Function?**

Council

**1. What is the report about?**

To report the current position in respect of the Council's revised annual capital programme and to advise Members of the anticipated level of deferred expenditure into future years.

The report seeks Member approval to amend the annual capital programme in order to reflect the reported variations.

**2. Recommendations:**

**It is recommended that Scrutiny Committee – Resources notes and Council approves:**

- (i) **The revisions to the capital programme detailed in section 8.1**
- (ii) **The revision of the annual capital programme to reflect the reported variations detailed in 8.4 and 8.5**

**3. Reasons for the recommendation:**

Local authorities are required to estimate the total of capital expenditure that it plans to incur during the financial year when it sets the prudential indicators for capital expenditure. This shows that its asset management and capital investment strategies are affordable, prudent and sustainable.

Capital expenditure is a significant source of risk and uncertainty since cost variations, delays and changing specifications are often features of large and complex capital projects.

In order to manage the risks associated with capital programming the annual capital programme is updated every three months to reflect any cost variations, slippage or acceleration of projects.

**4. What are the resource implications including non financial resources**

The financial resources required are set out in the body of this report.

**5. Section 151 Officer comments:**

This report has been prepared on behalf of the Section 151 Officer to set out the financial position of the Capital Programme as at 30 June 2015.

**6. What are the legal aspects?**

The capital expenditure system is framed by the Local Government and Housing Act 1989.

**7. Monitoring Officer's comments:**

The report raises no issue for the Monitoring Officer.

## 8. Report Details:

### CAPITAL MONITORING STATEMENT TO 30 JUNE 2015

#### 8.1 REVISIONS TO THE CAPITAL PROGRAMME

The 2015/16 Capital Programme, including commitments brought forward from 2014/15, was last reported to Scrutiny Committee – Resources on 1 July 2015. Since that meeting the following changes have been made that have increased the programme:

Description	£	Approval/Funding
<b>Capital Programme, as reported to Scrutiny Committee – Resources, 1 July 2015</b>	<b>23,210,170</b>	
HRA Acquisition of Social Housing	3,210	Funded from usable capital receipts
<b>Revised Capital Programme</b>	<b>23,213,380</b>	

#### 8.2 PERFORMANCE

The revised capital programme for the current financial year is £23.213 million. During the first three months of the year the Council spent £1.534 million on the programme, which equates to 6.6% of the revised programme. This compares with £1.210 million (4.9%) being spent in the first three months of 2014/15.

The current programme is detailed in Appendix 1. The Appendix shows a total forecast spend for 2015/16 of £20.477 million with £2.663 million of the programme potentially being deferred to 2016/17.

Appendix 2 shows the overall position for those schemes which span more than one financial year.

#### 8.3 AVAILABLE CAPITAL RESOURCES

The available capital resources for the General Fund for 2015/16 are £3.011 million. An estimated spend of £9.770 million is required of which £6.759 million will have to be funded from borrowing. The available capital resources for the HRA for 2015/16 are £15.869 million. An estimated spend of £10.707 million is required leaving £5.162 million to be carried forward into 2016/17. Appendix 3 sets out the forecast use of the resources available for the General Fund and the HRA and the likely amounts of borrowing that will be necessary to fund the capital programme over the next two years.

The value of actual capital receipts received in the quarter in respect of the General Fund and the HRA are:



	<b>General Fund £</b>	<b>HRA £</b>
New Receipts	192,883	387,720
Less HRA Pooling		(109,151)
<b>Balance as at 30 June 2015</b>	<b>192,883</b>	<b>278,569</b>

#### 8.4 EXPENDITURE VARIANCES

The main variances and issues concerning expenditure in 2015/16 are:

<b>Scheme</b>	<b>Estimated Overspend / (Underspend) £</b>	<b>Reason</b>
Countess Wear Community Centre (1 <sup>st</sup> Grant)	(68,580)	These underspends and overspends reflect the changes outlined to the New Homes Bonus and Grants Panel on 25 June and subsequently approved by Council on 28 July 2015.
Countess Wear Community Centre (2 <sup>nd</sup> Grant)	(50,000)	
Countess Wear – Village Hall	75,000	
Beacon Heath Martial Arts & Boxing Club – New Roof	21,805	
MRA Fees	(26,620)	The provision of quantity surveying support to the HRA by Property Services has ceased following their restructure, which will result in a reduced recharge. Recharges will remain for maintenance of the select list of contractors.
Faraday House Roof Replacement	9,000	An overspend is expected to occur due to additional health and safety measures at Faraday House including the provision of a roof guard-rail. However, a compensating saving will be made in the re-roofing programme.
Re-roofing Programme	(9,000)	
COB Phase 3 Professional Fees	(9,200)	No further works will be undertaken in respect of COB Wave 3 until resources have been secured for development of the sites.
Rennes House Wider Site Development	(7,050)	This budget provision was intended to provide for works to return 7 Hill Lane to a lettable standard, but such works were not required.

## 8.5 SCHEMES TO BE DEFERRED TO 2016/17 AND BEYOND

Schemes which have been identified as being wholly or partly deferred to 2016/17 and beyond are:

<b>Scheme</b>	<b>Revised 15/16 Budget £</b>	<b>Budget to be Deferred £</b>	<b>Reason</b>
Northbrook Flood Alleviation Scheme	498,130	498,130	Awaiting further information from the Environment Agency
Leisure Complex – Build Project	0	(1,600,000)	The capital budget was profiled to commence in 2016/17, however it is now proposed to accelerate this project and commence the capital spend this financial year.
Energy Saving Projects	2,990,700	600,000	Detailed spending plans for projects to be undertaken this financial year have now been confirmed. The surplus budget will be deferred to fund 2016/17 projects.
LAINGS Refurbishments	653,210	503,200	Currently seeking to appoint consultants to design, procure and manage the refurbishment of the LAINGS properties. It is hoped that works will commence on site towards the end of the financial year, but that significant spend will take place in 2016/17.
COB Wave 2 – Rennes House car park	1,710,810	804,758	The budget for the development of this site has been re-profiled in accordance with the latest cash-flow projections. Further design work was undertaken in order to re-submit the scheme for planning approval, which has led to delays.
St Loyes Extra Care Scheme	1,827,210	1,413,236	The scheme has been re-designed following consultation with Extra Care experts which has resulted in a significant re-profiling of expected cash-flow although the completion date is still no later than 31 March 2018 in accordance with Department of Health grant conditions.
Acquisition of Social Housing	1,154,580	440,000	The Council has committed to buying 10 two bedroom dwellings for use as social housing; however they are not scheduled for completion by developers until 2017/18.

## 8.6 ACHIEVEMENTS

The following schemes have been completed during the first quarter of 2015/16:

- **Paris Street Roundabout Landscaping & Sculptural Swift Tower**

The swift tower forms part of the Exeter Wild City project an initiative between Exeter City Council and Devon Wildlife Trust which aims to help wildlife thrive in the city and help people connect to nature on their doorstep. The tower project has been developed working closely with the RSPB.

The eight metre high tower has been constructed as a centre piece for the newly landscaped Paris Street Roundabout. Its sculptural form provides a series of nest holes for use by swifts. It is hoped that in coming years the tower will provide bespoke city centre housing, although experience from towers provided elsewhere in Europe suggests that it may take a few years before the birds fully take up residence.

In addition to the tower, the roundabout has also been planted so that it will provide people and wildlife with a stunning summer display of wildflowers. Flowers including poppies and cornflowers will give a splash of colour to the roundabout and help to feed important pollinating insects such as bumblebees and butterflies.

The tower has been funded by the construction of the nearby Jury's Inn hotel and from housing development. No money was spent from Exeter City Council's budget. Devon Wildlife Trust has also contributed to the scheme. Whilst providing a purpose designed nest tower for swifts the sculptural form meets a requirement of the funding for an artwork in this locality.

- **Energy Saving Projects – RAMM Solar Panels**

The energy-saving panels have been installed on the roof of the Grade II Listed Royal Albert Memorial Museum (RAMM) by SunGift Solar, as the City Council strives to become an energy neutral authority. The aim is to reduce the amount of energy used whilst generating renewable electricity to replace what is consumed.

The City Council now has solar panels on both Civic Centre buildings, a museum store, the Materials Reclamation Facility and on offices at Oakwood House. Two further arrays will shortly be placed on Mary Arches Street Car Park and John Lewis Car Park.

- **COB Wave 2 – Brookway & Bennett Square**

Silverberry Close and Barberry Close provide a total of 14 new three-bedroom properties, including two fully wheelchair accessible homes. These rented houses are now providing comfortable living space for families who were waiting for a suitable place to live on Exeter's Housing Register.

Barberry Close was previously a small underused green space off Bennett Square, and Silverberry Close was the site of the disused former Whipton Methodist Church. These underutilised areas have now been transformed to provide new homes, regenerating the area for local communities and investing in a brighter future for these parts of Exeter.

The buildings are designed to be ecological, low energy and affordable for tenants. Built to Passive house standard - a benchmark for low energy homes - each property contains a host of clever methods of saving energy. All this

means the new families moving in will have significantly reduced fuel and water bills, and the homes themselves are contributing to a low carbon, ecologically sound future.

- 9. How does the decision contribute to the Council's Corporate Plan?**  
The Capital Programme contributes to all of the key purposes, as set out in the Corporate Plan.
- 10. What risks are there and how can they be reduced?**  
Areas of budgetary risk are highlighted to committee as part of the quarterly budget monitoring updates.
- 11. What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, community safety and the environment?**  
No impact
- 12. Are there any other options?**  
No

**David Hodgson, Assistant Director Finance**

**Local Government (Access to Information) Act 1972 (as amended)**

**Background papers used in compiling this report:**

None

Contact for enquiries:

Democratic Services (Committees)

Room 2.3

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## CAPITAL MONITORING TO 30 JUNE 2015

	2015/16 Capital Programme	2015/16 Spend to 30 June	2015/16 Forecast Spend	2015/16 Budget to be Carried Forward to 2016/17 and Beyond	2015/16 Programme Variances (Under)/Over
	£	£	£	£	£
<b>COMMUNITY</b>					
<b>KEEP PLACE LOOKING GOOD</b>					
Play Area Refurbishments	66,990		66,990		
Flowerpot Skate Park Lighting	33,650	175	26,500		(7,150)
Topsham Recreation Ground	3,530			3,530	
Refurbishment and Upgrade of Paddling Pools	2,420	754	754		(1,666)
Parks Improvements	9,430		9,430		
Neighbourhood Parks & Local Open Spaces	8,020		8,020		
Belmont Pleasure Ground - New Path	30,000		30,000		
Rougemont Gardens - Path & Railings	50,000		50,000		
<b>KEEP ME/MY ENVIRONMENT SAFE &amp; HEALTHY</b>					
Vehicle Replacement Programme	630,000	18,532	630,000		
Exton Road Lighting	31,310	345	31,310		
Mincinglake Reed Beds and Storage Ponds	25,000		25,000		
<b>HELP ME FIND SOMEWHERE TO LIVE</b>					
Disabled Facility Grants	380,670	72,267	380,670		
Warm Up Exeter/PLEA Scheme	163,650		163,650		
Wessex Loan Scheme	140,830	1,602	140,830		
WHIL Empty Properties	194,000		194,000		
The Haven	7,200		7,200		
Temporary Accommodation Purchase	300,000		300,000		
<b>COMMUNITY TOTAL</b>	<b>2,076,700</b>	<b>93,675</b>	<b>2,064,354</b>	<b>3,530</b>	<b>(8,816)</b>

## CAPITAL MONITORING TO 30 JUNE 2015

	2015/16 Capital Programme	2015/16 Spend to 30 June	2015/16 Forecast Spend	2015/16 Budget to be Carried Forward to 2016/17 and Beyond	2015/16 Programme Variances (Under)/Over
	£	£	£	£	£
<b>ECONOMY</b>					
<b>KEEP PLACE LOOKING GOOD</b>					
Exhibition Way Bridge Maintenance	39,980	400	39,980		
Canal Bank Repairs & Strengthening	1,060		1,060		
Northbrook Flood Alleviation Scheme	498,130			498,130	
National Cycle Network	4,500	4,500	4,500		
Repair to Turf Lock Gates	145,320		145,320		
Repair Canal Bank at M5	60,000		60,000		
Cathedral Yard - Replace Street Lighting	20,000		20,000		
Replace Car Park Ticket Machines	200,000		200,000		
Coin Counting Equipment	26,340		26,340		
Phoenix - Replace Air Conditioning Units	30,000		30,000		
<b>PROVIDE GREAT THINGS FOR ME TO SEE &amp; DO</b>					
Replace Running Track at Exeter Arena	205,720		205,720		
Sports Facilities Refurbishment	67,000	3,487	67,000		
RAMM Development	382,380		382,380		
Passenger Lift at RAMM	45,000		45,000		
RAMM Shop	68,000		68,000		
Storage of Archives	21,020		21,020		
Livestock Market Electrical Distribution Boards	12,650		12,650		
Livestock Centre Roof Replacement	1,250,000		1,250,000		
City Centre Enhancements - TV Screens	40,000		40,000		

## CAPITAL MONITORING TO 30 JUNE 2015

	2015/16 Capital Programme	2015/16 Spend to 30 June	2015/16 Forecast Spend	2015/16 Budget to be Carried Forward to 2016/17 and Beyond	2015/16 Programme Variances (Under)/Over
	£	£	£	£	£
<b>DELIVER GOOD DEVELOPMENT</b>					
Newcourt Community Hall (S106)	10,000	130	10,000		
Newcourt Community Hall (Grant)	36,240		36,240		
Newtown Community Centre (1st Grant)	50,000		50,000		
Newtown Community Centre (2nd Grant)	49,000		49,000		
Countess Wear Community Centre (1st Grant)	68,580				(68,580)
Countess Wear Community Centre (2nd grant)	50,000				(50,000)
Countess Wear - Village Hall			75,000		75,000
Beacon Heath Martial Arts & Boxing Club - New Roof			21,805		21,805
Devonshire Place (Landscaping)	13,690	5,710	13,690		
Alphington Village Hall (Repairs & Extension)	50,000		50,000		
St Sidwells Community Centre	40,000	11,720	40,000		
Exeter Gymnastics Club	40,000	40,000	40,000		
City Centre Enhancements	8,260	177	8,260		
Paris Street Roundabout Landscaping & Sculptural Swift Tower	24,840	6,513	24,840		
Heavitree Environmental Improvements	22,880		22,880		
Ibstock Environmental Improvements	3,240		3,240		
Local Energy Network	67,050	67,050	67,050		
Leisure Complex - Build Project			1,600,000	(1,600,000)	
<b>ECONOMY TOTAL</b>	<b>3,650,880</b>	<b>139,687</b>	<b>4,730,975</b>	<b>(1,101,870)</b>	<b>(21,775)</b>

## CAPITAL MONITORING TO 30 JUNE 2015

	2015/16 Capital Programme	2015/16 Spend to 30 June	2015/16 Forecast Spend	2015/16 Budget to be Carried Forward to 2016/17 and Beyond	2015/16 Programme Variances (Under)/Over
	£	£	£	£	£
<b>RESOURCES</b>					
<b>WELL RUN COUNCIL</b>					
STRATA Implementation	30,650	30,651	30,650		
Annual Contribution to Strata	53,900	53,904	53,900		
eTendering System	15,000		15,000		
Invest to Save Opportunities	100,000		100,000		
Energy Saving Projects	2,990,700	135,709	2,390,700	600,000	
Customer Contact Platform	145,000		145,000		
Voice Activated Directory	44,800	28,994	44,800		
Civic Centre Access Doors	20,000		20,000		
Capitalised Staff Costs	175,000		175,000		
<b>RESOURCES TOTAL</b>	<b>3,575,050</b>	<b>249,258</b>	<b>2,975,050</b>	<b>600,000</b>	



## CAPITAL MONITORING TO 30 JUNE 2015

	2015/16 Capital Programme	2015/16 Spend to 30 June	2015/16 Forecast Spend	2015/16 Budget to be Carried Forward to 2016/17 and Beyond	2015/16 Programme Variances (Under)/Over
	£	£	£	£	£
<b>HRA</b>					
<b>MAINTAIN OUR PROPERTY ASSETS</b>					
Adaptations	595,940	117,982	595,940		
Rendering of Council Dwellings	353,650	27,341	353,650		
MRA Fees	40,000		13,380		(26,620)
Communal Door Entry System	13,440		13,440		
Environmental Improvements - General	59,080	3,919	59,080		
Programmed Re-roofing	120,000	9,970	111,000		(9,000)
Energy Conservation	115,510		115,510		
Smoke Detector Replacements	158,040	80,747	158,040		
LAINGS Refurbishments	653,210		150,010	503,200	
Kitchen Replacement Programme	1,418,880	126,342	1,418,880		
Bathroom Replacement Programme	1,253,770	92,080	1,253,770		
Other Works	94,620		94,620		
Fire Precautionary Works to Flats	291,400	23,111	291,400		
Communal Areas	196,650	2,639	196,650		
Structural Repairs	262,940	750	262,940		
Rennes House Structural Works	485,840		485,840		
Common Area Footpaths/Wall Improvements	269,430	4,186	269,430		
Lift Replacement - 98 Sidwell Street	50,000		50,000		
Replacement of Lead Water Mains	30,000	3,916	30,000		
Soil Vent Pipe Replacement	26,620		26,620		
Electrical Central Heating	21,630	7,419	21,630		
Faraday House Roof Replacement	125,000		134,000		9,000

## CAPITAL MONITORING TO 30 JUNE 2015

	2015/16 Capital Programme	2015/16 Spend to 30 June	2015/16 Forecast Spend	2015/16 Budget to be Carried Forward to 2016/17 and Beyond	2015/16 Programme Variances (Under)/Over
	£	£	£	£	£
Electrical Re-wiring	1,147,970	137,112	1,147,970		
Central Heating Programme	33,000	9,958	39,600		6,600
Boiler Replacement Programme	164,230	8,147	157,630		(6,600)
<b>HELP ME FIND SOMEWHERE TO LIVE</b>					
COB Wave 2 - Rennes Car Park	1,710,810	150	906,050	804,760	
COB Wave 2 - Newport Road	622,140	203,936	622,140		
COB Wave 2 - Brookway (Whipton Methodist Church)	130,400	28,045	130,400		
COB Wave 2 - Bennett Square	158,280	83,487	158,280		
St Loyes Extracare Scheme	1,827,210	13,016	413,980	1,413,230	
Phase 3 Professional Fees	9,200				(9,200)
Phase 3 St Andrews Road	10,230		10,230		
COB Land Purchase	300,000		300,000		
Rennes House Wider Site Development	7,050				(7,050)
Acquisition of Social Housing	1,154,580	66,962	714,580	440,000	
<b>HRA TOTAL</b>	<b>13,910,750</b>	<b>1,051,218</b>	<b>10,706,690</b>	<b>3,161,190</b>	<b>(42,870)</b>
<b>TOTAL CAPITAL BUDGET</b>	<b>23,213,380</b>	<b>1,533,838</b>	<b>20,477,069</b>	<b>2,662,850</b>	<b>(73,461)</b>

**REPORT TO** SCRUTINY COMMITTEE RESOURCES  
**Date of Meeting:** 16 September 2015  
**Report of:** Assistant Director Finance  
**Title:** Budget Monitoring Report to 30 June 2015

**Is this a Key Decision?**

No

**Is this an Executive or Council Function?**

Council

**1. What is the report about?**

This report advises Members of any material differences to the revised budget in respect of Resources Committee.

**2. Recommendations:**

**That Members of Scrutiny Committee – Resources note the content of this report in order to be satisfied that prudent steps are being taken to address the key areas of budgetary pressure highlighted in this report.**

**3. Reasons for the recommendation:**

Local authorities have a statutory duty to set and monitor their budgets during the year and to take any actions necessary because of potential overspending or potential shortfalls in income. Members are therefore presented with a quarterly financial update in respect of Resources.

**4. What are the resource implications including non financial resources**

The financial resources required to deliver Resources Services during 2014-15 are set out in the body of this report.

**5. Section 151 Officer comments:**

This report has been prepared on behalf of the Section 151 Officer to set out the projected financial position of Resources Services as at 31 March 2016.

**6. What are the legal aspects?**

Part 2 of the Local Government Act 2003 provides the legislative framework for the process of setting and managing budgets. In particular, Section 28 of the 2003 Act requires local authorities to monitor their budgets during the financial year.

**7. Monitoring Officer's comments:**

This report raises no issues to concern the Monitoring Officer.

**8. Report Details:**

**Resources Budget Monitoring to 30 June 2015**

**8.1 Key Variations from Budget**

The current forecast suggests that net expenditure for this committee will decrease from the revised budget by a total of £612,640 after transfers from reserves and revenue contributions to capital, as detailed in Appendix 1. This represents a variation of 9.94% from the revised budget. This includes supplementary budgets of £116,650 already agreed previously.

**8.2 The significant variations by management are:**

MU Code	Management Unit	Over / (Underspend)	Detail
86A1	Revenue Collection/Benefits	(564,420)	<ul style="list-style-type: none"> <li>• Recovery of overpayments higher than budgeted</li> <li>• Underspend on pay budgets</li> </ul>

**9. How does the decision contribute to the Council's Corporate Plan?**

Resources budgets contribute to 3 key purposes, as set out in the Corporate Plan; maintain the assets of our city, well run Council and customer access to help me with my housing and financial problem.

**10. What risks are there and how can they be reduced?**

An action plan addressing the key areas of budgetary risks within Resources will be included if and when they arise.

**11. What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, community safety and the environment?**

No impact

**12. Are there any other options?**

No

**David Hodgson**  
**Assistant Director Finance**

**Local Government (Access to Information) Act 1972 (as amended)**

**Background papers used in compiling this report:**

None

Contact for enquiries:  
 Democratic Services (Committees)  
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**SCRUTINY COMMITTEE - RESOURCES  
BUDGET MONITORING**

APRIL 2015 TO JUNE 2015

ACTUAL TO DATE			CODE	YEAR END FORECAST		
PROFILED BUDGET	ACTUAL TO DATE	VARIANCE TO DATE		APPROVED BUDGET	CURRENT OUTTURN FORECAST	FORECAST VARIANCE
£	£	£		£	£	£
330,860	(364,533)	(695,393)	86A1	1,716,540	1,152,120	(564,420)
50,938	32,905	(18,033)	86A2	258,600	270,600	12,000
(2,752)	(25,096)	(22,344)	86A3	597,680	597,680	0
37,210	57,302	20,092	86A4	243,180	243,180	0
126,586	132,964	6,378	86A5	701,630	717,750	16,120
618,800	641,765	22,965	86A6	815,240	815,240	0
292,189	289,919	(2,270)	86A7	1,725,300	1,733,960	8,660
142,767	139,458	(3,309)	86B1	755,380	755,380	0
29,485	25,038	(4,447)	86B2	134,380	134,380	0
141,792	98,415	(43,377)	86B3	729,480	729,480	0
93,292	94,278	986	86B4	472,710	472,710	0
388,308	327,676	(60,632)	86B5	1,214,480	1,214,480	0
465,503	463,895	(1,608)	86B6	1,879,550	1,879,550	0
76,965	76,846	(119)	86B7	352,400	352,400	0
23,191	28,500	5,309	86B8	102,180	96,680	(5,500)
<b>2,815,135</b>	<b>2,019,332</b>	<b>(795,803)</b>	<b>NET EXPENDITURE</b>	<b>11,698,730</b>	<b>11,165,590</b>	<b>(533,140)</b>
			<b>REVERSE OUT CENTRAL SUPPORT SERVICES WHICH ARE RECHARGED</b>	<b>5,535,460</b>	<b>5,635,060</b>	<b>(5,500)</b>
			<b>ADJUSTED NET EXPENDITURE</b>	<b>6,163,270</b>	<b>5,530,530</b>	<b>(527,640)</b>
			<b>VARIANCES ON TRANSFERS TO / (FROM) EARMARKED RESERVES</b>			
			<b>REVENUE CONTRIBUTION TO CAPITAL</b>			
			86B5 - CORPORATE SUPPORT		20,100	
			<b>OVERALL FORECAST EXPENDITURE FOR THE YEAR AFTER MOVEMENTS TO/FROM RESERVES</b>		<b>5,550,630</b>	
			<b>REVISED BUDGETS</b>		<b>6,163,270</b>	
			<b>OUTTURN VARIANCE AFTER TRANSFERS TO/FROM RESERVES &amp; CONTRIBUTIONS TO CAPITAL</b>		<b>(612,640)</b>	

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## REPORT TO SCRUTINY - RESOURCES

Date of Meeting: 16 September 2015

Report of: Corporate Manager Property

Title: An Energy Neutral Council – A Renewables and Energy Efficiency Programme Update

**Is this a Key Decision?**

No

**Is this an Executive or Council Function?**

n/a

**1. What is the report about?**

This report provides an update on the Renewables and Energy Efficiency Programme work that has been undertaken following year one of the programme and since the previous report to Scrutiny Committee Resources on 18 March 2015.

**2. Recommendations:**

That Scrutiny Committee Resources note the progress made to date, the delivery of year two of the Renewables and Energy Efficiency Programme and feasibility work planned for year three.

**3. Reasons for the recommendation:**

This is an update report to Scrutiny Committee Resources

**4. What are the resource implications including non financial resources.**

The programme is delivered by the Energy Team, made up of two full-time posts and this level of resource continues to be supported.

All key projects are in delivery; the successful achievement of the programme has been a result of the team's commitment and support given by others in the Corporate Property service. Some projects have suffered delayed due to factor's outside of the team's control, such as the need to engage external services such as engineering and by the fact that the City Council's procurement function is not yet fully developed.

Development of an Energy Strategy, forward planning and further feasibility work, as well as to the day to day energy management work, has been impeded by the sheer volume of day to day project management and delivery of large projects. We are exploring the possibility of securing some additional resource to assist in addressing these capacity issues.

In terms of the financial benefits of the programme, actual performance of previous PV schemes and savings made as a result of the early work carried out by the Energy Team is set out in table format at the end of this report. The table also lists new savings that will be secured at the end of this financial year (31 March 2016). Income from energy savings and FIT payments/export to the grid, have exceeded expectation and the returns over the 20 year investment period are higher than projected. As new schemes within

the programme are rolled out, it is anticipated that they will continue to deliver similar energy savings and income generation.

**5. Section 151 Officer comments:**

The project continues to have a positive impact on the Council's budget position. The savings set out in the report have been included in the Council's budget and have reduced the need for savings that impact on frontline services.

**6. What are the legal aspects?**

There are no issues to raise on the content of this report.

**7. Monitoring Officer comments:**

There are no issues to raise on the content of this report

**8. Report details:**

The report to Scrutiny Committee Resources on 18 March September 2015 updated the Committee on the progress of year one elements of the Renewables and Energy Efficiency Programme. This report is intended to provide a summary of work completed in year one, work planned and projects currently underway in year two. A brief comment will be made on each individual project and further feasibility work planned for 2016/17:

LED Bulb replacement – Mary Arches, Harlequins and Cathedral & Quay Car Park

LED lighting is a proven energy saving tool, whilst at the same time providing a better standard of lighting, helping to improve safety in the car parks. The lights installed in three city centre car parks, have allowed the Council electricity savings of over £35,000 in the first year of operation, it is expected the same saving will be delivered in year two.

RAMM Solar PV System

Following a long drawn out feasibility process, with many difficult structural issues to overcome, a Solar PV scheme has been installed on the roof of the RAMM. The 26kW array will not only produce energy and carbon savings, but it also serves to ensure the museum will comply with its funding criteria required by the Arts Council.

Phoenix Art Centre Solar PV System

The feasibility of this project has been assessed and the final report advised that a Solar PV installation would not provide sufficient return to the Council.

Car Park Canopy Solar PV Scheme (Mary Arches and John Lewis car park)

Extensive structural engineering and canopy design work resulted in the project start being delayed. Nonetheless the project is now underway and due to complete in October. This scheme is a pioneering initiative and one that will attract much attention, as this is the first carport system of its type in the UK. The two car parks



comprise of 150kW systems each, which will provide for zero carbon car parks during the summer months and together they will deliver an income of over £50,000 per annum. Additionally, it is hoped the covered top decks, previously open, will provide a more attractive parking option, generating increased use and revenue for parking services.

#### Civic Centre LED Lights Replacement Programme

A programme of works began in earnest in October 2014, to combine where possible with planned office relocations, to minimise out of hours work and associated costs. All offices are now complete with only the lift lobbies, Phase II ground floor corridor, and meeting rooms outstanding. The LED lights have been well received, and improve the overall standard of office accommodation. The LED lights provide a more natural light and incorporate better controls; they dim and switch off completely when outside light levels are sufficient. The low wattage energy consumption reduces carbon emissions and will enable the council to cut the Civic Centre's electricity bill by over £32,000 per annum (including for reduced maintenance as a result of extended bulb life).

#### Corn Exchange Solar PV System

Until the long term future of this building is confirmed it is not possible to prepare a business case to support this long term renewable investment.

#### Civic Centre Boiler Replacement

The installation of new gas-fired boilers is in progress and will be complete by the end of September in time for the new heating season. Design work, procurement and specialist engineering advice required, is provided by North Somerset Council. The work also includes for removal of the oil tanks to the rear of the Civic, providing vacant space for alternative use. The efficient boilers and new pumps provide for an annual saving of £28,000, with the removal of oil delivering a significant carbon reduction.

#### Livestock Centre Solar PV Scheme

The project has had to be developed swiftly to ensure the WPD connection offer was not lost in light of the new grid connection restriction, as did the work required for the replacement of the dilapidated roof sheets. The PV array provides a sound business case and a return of £2 million over a twenty five year period. The proposed 1.5MW array is currently out to tender and installation is to be completed before 31 December 2015.

#### Quay Climbing Centre Solar PV System

Structural issues at the building have been overcome using a proposed specialist solar panel fixing system, and to date the installation is supported by the leaseholder. Further discussions are being held to agree a PPA agreement (Power Purchase Agreement) which provides electricity at a reduced price to the occupant and a fixed income for the Council. This will be our first PPA installation, allowing the Council to support local business, making for a stronger sustainable City. The proposed PPA is supported by a robust business case; so much so, payback would be achieved even if the PPA was severed due to termination of the lease.

### Feasibility - Solar PV Field

Feasibility work has been considerable and following an offer from a trusted solar field developer, a full commercial proposal for a 3.8MW array has endorsed the viability of this scheme. The Solar PV project is an opportunity to secure a substantial long term income stream and will take the authority closer to achieving its aspiration to be an Energy Neutral Council. Unfortunately, whilst a formal grid connection has been made by WPD, the connection offer cannot be authorised until the connection restraint is lifted. Earlier this year WPD advised that a critical 132 kV line, from Bridgwater to the Bristol docks area, has reached full capacity and as a consequence a delay of 3-6 years will be included in new connection offers for all generation projects seeking to connect to the grid requiring works at High Voltage (HV) level or above. The restrictions apply to all of the WPD south west region below Bristol and Bath.

As well as the network restriction, the government has announced a review of the FIT tariff, and further tariff cuts, which will significantly impact on the financial viability of the Solar Field. However, if the WPD restriction was to be lifted and solar PV be supported by other financial incentives, then the scheme could progress. A decision will need to be made as to whether preparatory work for this scheme should continue to be developed and planning permission sought, to allow speedy delivery should the above restrictions be removed.

### Parkwood Assets (Riverside Leisure Centre, Wonford Leisure Centre, Exeter Arena and ISCA Centre Solar PV Systems)

This opportunity will be explored when the long term future of the asset has been clarified as part of the Leisure Feasibility Review. However the condition of the roof at both the Riverside and Isca centre would have to be tackled prior to PV installation.

### Further LED Light Replacement

High electricity users such as the RAMM and other car parks will be surveyed in 2015/16.

### EV Chargepoint Project

Westerly BMW paid the final sponsorship imbursement in full in March 2015. This allowed a surplus of £3,000 which is to be can be used to provide a new EV Chargepoint when required, and a contingency sum to repair any vandalism to the charging stations.

The infrastructure serves to promote EV use and has the capacity to accommodate growth in this sector. Chargepoint usage is increasing slowly, the cost of energy used at all public Chargepoints during the first full year of operation is £204.04. For the Civic Centre and Oakwood House(pool cars) this makes a total of £335.06.

## **9. How does the decision contribute to the Council's Corporate Plan?**

The delivery of the programme is an essential part of the Council's capital programme over the next few years. The energy savings and income generated will assist us in our overall efficiency and income generating agenda as well as contributing to the reduction of our carbon footprint, making the city as a whole a more pleasant live and work.

**10. What risks are there and how can they be reduced?**

The programme has been approved and resourced in order to secure delivery of viable schemes. There will always be challenges to viability in this area as a result of changes in energy costs, the Feed in Tariff, structural building condition, etc. The mechanism we have put in place to approved business cases and their viability should ensure we do not embark on schemes that will not perform in accordance with our requirements.

Recent price changes in the energy market are noted, and to clarify what effect this may have on future and predicted savings of this work, an independent view is regularly sought from the Council's energy broker. The following updated guidance is given: Looking forward the average change in fully delivered electricity costs is an annual increase of between 6.5 and 9.5%, between 2 - 4% for Gas and Oil averaging at around 3% up to 2020. These figures remain reasonable and possibly 1% could be added to all. Going forward it is likely that we will see increases in what are described as the 'taxes and levies,' they now account for 20% of an average invoice. In addition new charges are on the horizon and the other industry costs, such as distribution and transmission costs are potentially changing and will bring with it a further increase.

**11. What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, community safety and the environment?**

No decision is sought, but it should be noted that the reduction in the City Council's carbon footprint does go some way to improving, or at least mitigating, our adverse impacts of energy use on the environment.

**12. Are there any other options?**

The nature of the programme appraisal and approval arrangements are that the Energy Team is constantly considering alternative approaches and other avenues of investment in this area.

**Michael Carson**  
**Corporate Manager Property**

**Local Government (Access to Information) Act 1972 (as amended)**

**Background papers used in compiling this report:**

None

Contact for enquires:  
Democratic Services (Committees)  
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01392 265275

Financial Benefits - Savings 2012 - 2015

<b>2012/2013</b>	<b>FIT Income</b>	<b>Gross Saving</b>
<b>Water Saving Project</b>		
2012/13 Savings		£23,025
<b>TOTAL SAVING 2012/13</b>		<b>£23,025</b>
<b>2013/2014</b>		
<b>Water Saving Project</b>		
2013/14 Savings		£20,420
<b>PV Arrays (Civic, Ark, MRF, Oakwood, Belle Isle)</b>		
Income & Savings	£24,512	£47,984
<b>TOTAL SAVING 2013/14</b>		<b>£68,404</b>
<b>2014/2015</b>		
<b>Water Saving Project</b>		
2014/15 Savings		£21,000
<b>PV Arrays (Civic, Ark, MRF, Oakwood, Belle Isle)</b>		
Income & Savings	£24,325	£50,728*
<b>Civic Centre LED Project</b>		
Civic Centre (part)		£7,684
<b>Hand Dryer Project</b>		
Installation of efficient hand dryers & removal of paper towels		£5,200
<b>Car Park LED Project</b>		
LED bulb replacement - Cathedral & Quay Car Park		£14,720
LED bulb replacement - Harlequins Car Park		£5,450
LED light replacement - Mary Arches Car Park		£14,940
<b>Car Park Total</b>		<b>£35,110</b>
<b>TOTAL SAVING 2014/15</b>		<b>£119,722</b>

\*Greater than predicted

Financial Benefits - Projected Savings 2015/16

<b>2015/2016</b>	<b>FIT Income</b>	<b>Gross Saving</b>
<b>Water Saving Project</b>		
Savings		£21,000
<b>PV Arrays (Civic, Ark, MRF, Oakwood, Belle Isle)</b>		
Income & Savings	£24,811	£48,633
<b>Civic Centre LED Project</b>		
Civic Centre		£32,184
<b>Hand Dryer Project</b>		

<b>2015/2016 contd</b>	<b>FIT Income</b>	<b>Gross Saving</b>
Installation of efficient hand dryers & removal of paper towels		£5,200
<b>Car Park LED Project</b>		
LED bulb replacement - Cathedral & Quay Car Park		£14,720
LED bulb replacement - Harlequins Car Park		£5,450
LED light replacement - Mary Arches Car Park		£14,940
<b>Car Park Total</b>		<b>£35,110</b>
<b>NEW PROJECTS :</b>		
<b>Car Park Canopy PV (part estimated)</b>	<b>£8,600</b>	<b>£18,660</b>
<b>Civic Boiler Replacement</b>		<b>£28,000</b>
<b>RAMM PV (part estimated)</b>	<b>£1,302</b>	<b>£2,778</b>
<b>Livestock Centre PV (part estimated)</b>	<b>£10,164</b>	<b>£22,908</b>
<b>Quay Climb Centre (PPA to be agreed)</b>	<b>-</b>	<b>-</b>
<b>PROJECTED TOTAL SAVING 2015/16</b>	<b>£44,877</b>	<b>£214,473</b>

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**REPORT TO:** SCRUTINY RESOURCES COMMITTEE  
**Date of Meeting:** Scrutiny Resources – 16<sup>th</sup> September 2015  
**Report of:** Assistant Director, Finance  
**Title:** Financial Reporting Task and Finish Group Update Report

**Is this a Key Decision?**

No

**Is this an Executive or Council Function?**

Council

**1. What is the report about?**

To update the Scrutiny Resources Committee as to the success of the trialled changes and improvements to the overall style and presentation of Financial Reports.

**2. Recommendations:**

That the Scrutiny Resources Committee:-

- Agree and approve that the changes and improvements to the style and presentation of Financial Reports should now be adopted on a permanent basis.

**3. Reasons for the recommendation:**

- To ensure that Members are content with the current style and presentation of Financial Reporting.
- To provide Members with the opportunity to comment further and suggest any additional improvements.
- To formally approve, through the Committee structure, that the changes and improvements should become a permanent feature.

**4. What are the resource implications including non financial resources:**

None.

**5. Section 151 Officer comments:**

This report raises no issues for the Section 151 officer to consider.

**6. What are the legal aspects?**

None.

## **7. Monitoring officer Comments**

This report raises no issues for the Monitoring officer to consider.

## **8. Report Details:**

The Chair of the Scrutiny Resources Committee at the meeting held on the 19<sup>th</sup> June 2013 (Minute 21) referred to the establishment of a cross party Task and Finish Group to look at the reporting of financial matters in a more meaningful and user friendly way.

Councillors had identified a need for clarity within the current financial reporting format which would enable them to have a better understanding of the reports presented to them and would allow them to more easily identify the key issues upon which they needed to take important decisions.

Membership of the Group consisted of:-

Cllr Baldwin (Chair)  
Cllr Ruffle  
Cllr Pearson  
Cllr Owen  
Cllr Donovan  
The Deputy Chief Executive  
The Assistant Director, Finance

The remit of the Group was:-

1. To review the current regime of reporting financial matters.
2. To review the current presentation of financial reports.
3. To consider whether there was any flexibility to alter the presentation of the financial information presented.
4. To see if reports could be simplified whilst still adhering to current statutory requirements and current Council policy.
5. To provide examples of alternative presentation of financial reports.
6. To clarify figures relating to budget and spend so that it would be easier for Members to identify issues from financial reports which may need attention.
7. To enhance and simplify financial reports.



The work of this Task and Finish Group would support the Council’s aims and priorities of ensuring a “well run” Council whilst enhancing accountability and transparency.

The Group met on three occasions and identified four main areas of specific interest:-

- Budget
- Spend
- Variance
- Income – is income being generated?

The Assistant Director of Finance produced a list of financial reports and confirmed that there would be more flexibility to alter the monitoring financial reports rather than the Statutory reports.

For ease of reference the table below demonstrates the current improvements and changes:-

Report	Statutory?	Key Changes	Reported to
Treasury Management Strategy	<ul style="list-style-type: none"> <li>• Yes</li> </ul>	<ul style="list-style-type: none"> <li>• No significant change – Statutory format</li> <li>• Slightly slimmed down</li> </ul>	Resources & Executive
Treasury Management Half Year Update Treasury Management Outturn	<ul style="list-style-type: none"> <li>• Yes</li> <li>• Yes</li> </ul>		
Prudential Code indicators	<ul style="list-style-type: none"> <li>• Yes</li> </ul>	<ul style="list-style-type: none"> <li>• No Change – Statutory format</li> </ul>	Executive
Council Tax Base & NNDR1	<ul style="list-style-type: none"> <li>• Yes</li> </ul>	<ul style="list-style-type: none"> <li>• No Change – Statutory format</li> </ul>	Executive
Budget Monitoring – Quarterly updates and Outturn	<ul style="list-style-type: none"> <li>• No</li> </ul>	<ul style="list-style-type: none"> <li>• Slimmed down reporting format</li> <li>• Focus on significant variances</li> <li>• Tabular format for ease of reference</li> </ul>	Scrutiny Committees and Executive
Capital Monitoring – Quarterly updates and Outturn	<ul style="list-style-type: none"> <li>• No</li> </ul>	<ul style="list-style-type: none"> <li>• Slimmed down reporting format</li> <li>• Focus on significant Variances</li> <li>• Tabular format for ease of reference</li> <li>• Additional information – e.g. Completed Projects in the Quarter</li> </ul>	

Report	Statutory?	Key Themes	Reported to
Annual Governance Statement	<ul style="list-style-type: none"> <li>Yes</li> </ul>	<ul style="list-style-type: none"> <li>Statutory report</li> <li>Replaced written report with Pictorial representation</li> </ul>	Audit & Governance Council
Statement of Accounts	<ul style="list-style-type: none"> <li>Yes</li> </ul>	<ul style="list-style-type: none"> <li>No Change – Statutory format</li> </ul>	Audit & Governance
Housing Rents	<ul style="list-style-type: none"> <li>Yes</li> </ul>	<ul style="list-style-type: none"> <li>No Change</li> </ul>	Executive
Budget Strategy & MTFP (Dec)	<ul style="list-style-type: none"> <li>No</li> </ul>	<ul style="list-style-type: none"> <li>Slimmed down reporting format</li> <li>Significant use of tables rather than words.</li> </ul>	Resources & Executive
Annual Capital Programme & Revenue Budget Proposals (Jan)	<ul style="list-style-type: none"> <li>No</li> </ul>	<ul style="list-style-type: none"> <li>Reduction in detail – use of summary reporting.</li> </ul>	Resources & Executive All Scrutiny
Budget & Capital Programme (Feb)	<ul style="list-style-type: none"> <li>Yes</li> </ul>	<ul style="list-style-type: none"> <li>Report reduced in length</li> <li>Focus on Key Issues</li> <li>Increased use of Tables</li> </ul>	Executive Council
AIM Reports	<ul style="list-style-type: none"> <li>No</li> </ul>	<ul style="list-style-type: none"> <li>Removed – included in budget monitoring</li> </ul>	Resources

These changes were trialled during the September 2013 cycle of Scrutiny Committee meetings so that all Members would have the opportunity to comment upon the new style of financial reporting. Feedback was obtained from Members who commented that the changes implemented so far were very helpful and made the documents much clearer and easier to understand.

Further comments were obtained from Members in relation to the new financial reporting format following the January 2014 cycle of Committee meetings and the subsequent Full Council meeting. Members' comments remained positive and all agreed that the change in the format of financial reporting was of great benefit and provided much needed clarity.

In addition to the mainframe changes, there is also now an established Members' Briefing on the Budget which takes place in January each year. The Briefing concentrates on the Medium Term Financial Plan, additional spending pressures added and savings made. This ensures that all Members remain fully informed and have the opportunity to ask questions on any areas of the Budget.

Financial training for Members also appears as a regular feature on the Annual Induction Training Programme for Members.

**9 What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, Economy safety and the environment?**

Not applicable.

**David Hodgson**  
Assistant Director, Finance

**Local Government (Access to Information) Act 1972 (as amended)**  
**Background papers used in compiling this report: None**

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